

# Reliability reforms lag behind electricity industry changes

**A**n interim report on the Department of Energy's investigation of last summer's power outages and disturbances warns that while the electricity industry is undergoing fundamental change, necessary operating practices, regulatory policies and technological tools for dealing with those changes are not yet in place to ensure an acceptable level of reliability. Released Jan. 4, the report said a significant increase in electricity use, especially during peak demand times, is stressing the nation's electric system.

The report noted that historical levels of electric reliability may not be adequate for the future. The quality of electric power and the assurance that it will always be available are increasingly important in a society that is ever more dependent on electricity. Report authors concluded that Americans' health, safety and economic strength all depend on a reliable supply of electricity.

"The lessons we learned as an industry and government working together preparing for the Y2K rollover were a good step toward achieving a more reliable electric grid," said Energy Secretary Bill Richardson, in receiving the interim report. "Consumers should not have to wonder whether the lights will go out when the thermometer hits 90 degrees. While the causes of recent power outages are still being reviewed, the fact is that some systems are being stretched to the limit. Clearly, there is cause for concern."

The investigation team of 19 academics and departmental

experts was formed last September as part of the Secretary's six-point initiative to address electric reliability concerns. They investigated outages in New York City, Long Island, New Jersey, the Delmarva (Delaware-Maryland-Virginia) Peninsula, Mississippi, Arkansas, Texas, Louisiana and Chicago and non-outage disturbances in New England and the Mid-Atlantic states.

The report is organized in five major topical areas:

- ◆ Transition to competitive energy service markets
- ◆ Regulatory policy for reliable transmission and distribution
- ◆ Information resources
- ◆ Operations management and emergency response
- ◆ Reliability metrics, planning and tracking

The team also held a series of three technical workshops in late January to obtain stakeholder comments on the 38 findings detailed in the interim report. These comments are being used to help the review team develop its recommendations to the Energy Secretary.

A final report, to be issued in March, will provide recommendations and will be followed by regional, policy-level discussions across the country among industry leaders and Federal, local and state government officials.

A copy of the interim report is available on the DOE web site at: <http://tis.eh.doe.gov/post/>.

